

SECRET/NOFORN

August 14, 1973

MEMORANDUM FOR: General Graham

Danny:

re economic intelligence

*Aid to US Commerce 1/16/74
Aid to Business 12/15/71*

you know I have been pondering, as has General Allen, the utility of economic intelligence especially with respect, in my case, to how we could include balance of trade. It has occurred to me that we might be able to borrow a technique which has been used in the ABM business over a period of ten or fifteen years to diffuse intelligence in a perhaps reasonably innocuous but nonetheless useful way. I would appreciate your comments.

What I am referring to is a device called AMRAC (Anti-Missile Research Advisory Committee) which from about 1957-68 acted as a symposium during which classified aspects relating to the ballistic missile threat and the technology and systems of possible ABM responses were discussed. Papers varied in classification from Confidential to Top Secret but never codeword.

Now I believe there exists already some quasi-official bodies of non-government employees which operate at something like the Secret level. I believe there is something called "The Business Council" which has access to high level government briefings and I believe the DOD sponsors a group which it keeps informed on defense matters. I do not know its cognomen. It is quite possible other departments of government have similar councils, committees, or boards and these as a group, especially if they operate with security clearances, might provide the necessary basis for diffusing intelligence information where it can be used.

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The main hangup in my mind in diffusing that intelligence information is the possibility that one profit-making concern might be given an unfair advantage with respect to a competitor. In the case of AMRAC all the competitors were there and their problem was how most profitably -- in both a national security and profit-making sense -- to use the information available. Depending upon the makeup of these councils which I know and assume exist, or upon their augmentation, one might be able to do much the same thing. Much of the good that comes from such a symposium -- as AMRAC -- is the free intermingling of governmental and industry employees and the exchange of information and ideas. I suspect that much the same sort of thing could take place in the economic arena. This could be done moreover by very subtle changes and not with any announced policy change.

One of the problems with the foregoing, although perhaps it has already been met, is multi-national corporations, some of whose officers may be foreigners and might therefore be a source of leaks from American representatives even in an unintended way. Perhaps some clever individual has already figured out how to plug such leaks in the case of national security matters. I suspect so.

Another possibility for diffusing information is various kinds of trade associations, although I believe that by an unclassified arena this would be much more difficult. It is possible, however, that the officers and managers of such trade associations come from a broad enough sector within the trade area that special favor was not a likelihood and clearances could be given. Thus the trade association would develop its activities in a way which could exploit intelligence information.

One interesting aspect of this suggestion is that it need not be applied across the board to all economic intelligence possibilities but could be tried out where conditions are perceived to be optimum -- perhaps that is the best council.

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Copy to
General Allen

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